

AriSEIA

Arizona Chapter of the Solar Energy Industries Association

5056 S. 40th St., Suite C
Phoenix, AZ 85040
Tel: (602) 431-0016
www.arizonasolarindustry.org

May 13, 2003

Chairman Mark Spitzer
Commissioner William Mundell
Commissioner Jeff Hatch-Miller
Commissioner Mike Gleason
Commissioner Kristin Mayes
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85012

Dear Commissioners,

The Arizona Solar Energy Industries Association (AriSEIA) strongly supports the Renewable Energy Advocates document titled "A Proposal for Developing Renewable Energy Generation in Excess of 1.1% Annual Electric Energy in Arizona". This proposal provides recommendations on changes to the existing Environmental Portfolio Standard (EPS) and offers a means to expand renewable energy development in Arizona. It is supported by an organized and cooperative base of EPS stakeholders and was prepared by many dedicated individuals – most participating on a voluntary basis.

AriSEIA would like to emphasize several key points contained in the Renewable Energy Advocates proposal and AriSEIA's position paper filed with the Commission in August of 2003. They include the following (specific language changes are attached to this cover letter):

- Add language to the rule that supports the development of a statewide, uniform EPS Credit Purchase Program for renewable distributed generation and identifies the Standards Working Group as the mechanism to develop such a program for Commission approval.
- Allow extra credit multipliers for all qualified, customer-owned renewable distributed generation, including small wind and solar thermal systems.
- Allow solar thermal water heating to compete for the full 40% of "Other Renewables" required under the existing EPS rule.
- Allow solar thermal water heating to replace all fossil fueled water heating systems.
- Clarify restrictive language in Section K of the rule dealing with solar thermal water heating.

The above changes help to facilitate a vibrant residential and commercial market for all renewable distributed generation technologies while enabling all ratepayers subject to the EPS surcharge to participate. Your support in this effort will solidify Arizona's status as a leader in renewable distributed generation.

Sincerely,

Sean M. Seitz
President
Arizona Solar Energy Industries Association